

**RESOLUTION NO. 20190808-077**

**WHEREAS**, Resolution No. 20141211-122 directed the City Manager to deliver a feasibility study for initiating and administering a corporation such as an Economic Development Corporations (EDCs); and

**WHEREAS**, the Resolution also directed the City Manager to review all other prior recommendations for EDCs from city plans and to analyze community needs that could be supported through the use of an economic development corporation or another corporate structure and to recommend other focus areas and potential sources of funding; and

**WHEREAS**, Resolution No. 20170216-040 directed the City Manager to bring forward a specific proposal or proposals for creating an entity or entities capable of structuring public-private partnerships to assist in accomplishing the priority projects and goals of the City; and

**WHEREAS**, Resolution No. 20170831-103 directed the City Manager to recommend options for creating a dedicated funding stream for capital and operating expenditures related to meeting the needs of those experiencing homelessness; and

**WHEREAS**, Resolution No. 20170928-052 directed the City Manager to complete the work required in Resolution 20170831-103 and to explore additional financial strategies; and

**WHEREAS**, Resolution No. 20170831-059 directed the City Manager to recommend options to engage the community in alternatives to activities such as “panhandling,” including means to facilitate contributions to direct assistance to those experiencing homelessness; and

**WHEREAS**, in March 2018, the Council approved Austin’s Strategic Direction 2023 plan and identified homelessness as the top priority indicator in the plan; and

**WHEREAS**, Resolution No. 20180426-030 endorsed the “Austin Action Plan to End Homelessness,” a plan with the goal of launching a public-private partnership to build a sustainable system that ends people’s homelessness in Austin, Texas; and

**WHEREAS**, Austin’s “Action Plan to End Homelessness” delineates five critical methods to effectively end homelessness, including strategies to build community commitment from both the public and private sectors; and

**WHEREAS**, the City has access to multiple funding sources for land acquisition and capital costs for both emergency shelter and permanent supportive housing, such as bond dollars, Community Development Block Grant funds, and revenue generated from the Waller Creek Tax Increment Reinvestment Zone; however, funds for operating and maintaining emergency shelters and other critical ancillary resources, such as emergency rental assistance, housing vouchers, landlord risk mitigation funds, case managers, and other wraparound services, are much more limited; and

**WHEREAS**, Senate Bill 2, which lowered the multiplier used in the rollback rate calculation from 8 percent to 3.5 percent for cities for nearly every Texas city, will make it more challenging for the City of Austin to fund the aforementioned services and resources; and

**WHEREAS**, the May 29, 2019, staff memo in response to Resolutions No. 20141211-122 and 20170216-040 states that the Texas Transportation Corporation Act grants municipalities the ability to create local government corporations (LGCs), nonprofit organizations empowered to act on behalf of a municipality to “accomplish any governmental purpose”; and

**WHEREAS**, according to the memo, “[t]he City would be able to transfer funds to the LGC through a contract. Among the potential sources of funding are fund transfers, hotel taxes (for allowable uses), TIF funds, that may serve as the backing for bonds and notes”; and

**WHEREAS**, LGCs can also take out loans and issue bonds, and bonds not backed by City property taxes would not be considered City property-tax backed debt; and

**WHEREAS**, as city staff note, the LGC structure allows it to “operate with the flexibility and speed required to capitalize on a range of market driven development opportunities”; and

**WHEREAS**, an LGC’s board must be comprised of at least three members not associated with the city; and

**WHEREAS**, the City of Dallas operates an LGC that, among other goals, raises money to support policy goals related to addressing homelessness; and

**WHEREAS**, individuals often ask City staff how they can assist in financially supporting efforts related to ending homelessness in Austin; and

**WHEREAS**, an LGC could act on behalf of the City to collect and distribute private funds to address homelessness in Austin; **NOW, THEREFORE:**

**BE IT RESOLVED BY THE CITY OF AUSTIN CITY COUNCIL:**

The City Council desires to create and incorporate a local government corporation to accomplish the governmental purpose of addressing homelessness in Austin. The City Council desires for this LGC to have and exercise all of the powers prescribed by Chapter 22, Texas Business Organizations Code and Chapter 431, Texas Transportation Code; and to accept donations of funds, services, and things of value. The City Council will require Council approval before the LGC can incur debt or acquire land. Additionally, the City Council will require its approval for certain expenditures.

**BE IT FURTHER RESOLVED:**

The City Council directs the City Manager to file a written application with the City Clerk that requests the City Council to approve and authorize the creation of a public non-profit LGC. The application must include the LGC's proposed articles of incorporation, bylaws, and scope of work. The proposed articles of incorporation must include the City Manager's recommendation on when Council's approval should be required for

expenditures. The scope of work must support the City's Action Plan to End Homelessness. The City Council directs the City Manager to file the application on or before November 1, 2019.

**BE IT FURTHER RESOLVED:**

Before submitting the application to the City Clerk, the City Council directs the City Manager to:

- (1) conduct stakeholder engagement regarding the LGC's scope of work;
- (2) explore the feasibility of classifying the LGC as a 501(c)(3); and
- (3) seek out subject matter experts, as needed.

**BE IT FURTHER RESOLVED:**

As part of the LGC's initial board, the City Council directs the City Manager to include a position for a representative from the Continuum of Care consortium, a private business sector representative, and a representative from the Downtown Austin Alliance. The City Council authorizes the City Manager to recommend additional external members that the City Manager deems appropriate to fulfill the mission of the LGC.

**BE IT FURTHER RESOLVED:**

Upon Council approval of the composition of the LGC Board, the City Council directs the City Clerk to solicit applications from citizens who are interested in serving as soon as feasible, with the goal of receiving applications by January 1, 2020.

An interested applicant shall be asked to supply a resume or curricula vita; a cover letter expressing experience or education relevant to the mission of ending homelessness; and a completed standard City of Austin application.

The members of the Health and Human Services Committee shall review all applications from citizens interested in serving on the Corporation board and make recommendations to the full City Council at the Council's last meeting in March of 2020.

**ADOPTED:** August 8, 2019

**ATTEST:**   
\_\_\_\_\_  
Jannette S. Goodall  
City Clerk